



NEWS RELEASE

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
1520 H STREET, NORTHWEST · WASHINGTON 25, D. C.
TELEPHONES: DUDLEY 2-6325 · EXECUTIVE 3-3260

FOR RELEASE: Upon delivery

RELEASE NO. 61-173

STATEMENT OF
MR. JAMES E. WEBB
ADMINISTRATOR
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
BEFORE THE
COMMITTEE ON SCIENCE AND ASTRONAUTICS
HOUSE OF REPRESENTATIVES
August 10, 1961

Mr. Chairman and Members of the Committee:

When I appeared before this Committee earlier to discuss the work of the National Aeronautics and Space Administration in the field of communication satellites, we had not at the time concluded a cooperative agreement with American Telephone and Telegraph Company. We have now done so and I am therefore able to discuss that agreement with you today.

The American Telephone and Telegraph Company will design and build communication satellites, at its own expense, for two launchings during 1962. NASA will provide the launch vehicles and the facilities for launching and tracking and will be reimbursed by AT&T.

These arrangements with AT&T will add greatly to the total program of experimentation in active satellite communications and will assist in the development of relationships between Government and industry which are necessary to accelerate the early realization of an operational system.

The agreement with AT&T has been made in a manner which will avoid putting AT&T in a preferential position in relation to other interested companies, which may, in the future, have an interest in the operation of a communication satellite system or supplying equipment to the operator of such a system.

In the first place, the project is recognized by both parties as entirely experimental. This means that it does not involve any commitment with respect to any operational undertaking or any particular design of operational satellites.

Secondly, a full report of the experimental results achieved by AT&T will be made to NASA and thereby the Government will be in a position to apply the results obtained for the benefit of any authorized commercial undertaking pursuant to future action by the Federal Communications Commission.

In the third place, we have made very specific arrangements concerning patentable inventions. There may be inventions made in the course of the "work performed under or in

anticipation of this agreement." As to these, the Government will have a royalty-free license for the practice of such inventions throughout the world by or on behalf of the United States Government or any foreign government pursuant to treaty or agreement. Also as to these inventions, the Government will have the right to grant licenses to others for the practice of such inventions throughout the world for any purpose whatsoever upon such terms and conditions as the Administrator may prescribe. The Government's right to grant licenses is unrestricted as to both the parties to be licensed and the purposes for which such inventions may be practiced.

So far I have referred to inventions that might be strictly determined to be made under or in anticipation of the cooperative agreement. In addition, however, NASA and AT&T have agreed that certain rights are to be acquired by the Government with respect to any inventions made as the result of AT&T sponsored research during the period beginning on May 18 of this year and running through to one year after the last launch. "AT&T sponsored research" includes any project which "has as one of its purposes advancement of the state of the art in communication satellite systems, equipment, components, or ground tracking, transmitting, or receiving facilities

therefor." Now, as to any such invention made during this period by AT&T, the Government will obtain a royalty-free license to practice the invention throughout the world by or on behalf of the United States Government. In addition, we have specifically agreed that the Administrator shall have the right, in connection with the operation of a communication satellite system or the production of components for a system, to "grant licenses to business entities domiciled in the United States, under such terms and conditions as the Administrator may prescribe for the practice of such inventions throughout the world."

The significance of the patent provisions agreed to by NASA and AT&T is that whatever form of organization may be determined to be in the public interest and approved by the Federal Communications Commission for providing communication services to the public through satellite relays, that organization will be able to use inventions made by AT&T while in this cooperative relationship with NASA.

As you are aware, the President has stated, and the Federal Communications Commission has announced that one of the principles which should govern the operation of a communication satellite system is that there be competition in the production

of equipment for the satellite system. Our purpose in negotiating the patent arrangements which I have described with AT&T is to be able to assure the free availability of any resulting inventions in the public interest.

The AT&T agreement, in my judgment, is a forward step in the development of cooperative relationships between Government and industry to attain an important objective in the practical application of space technology.

- - - - -